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IMPROVED MANPOWER MANAGEMENT IN THE FEDERAL GOVERNMENT

EXAMPLES FOR THE PERIOD JULY-DECEMBER 1964

SUBCOMMITTEE ON MANPOWER
OF THE
COMMITTEE ON POST OFFICE AND
CIVIL SERVICE
HOUSE OF REPRESENTATIVES
EIGHTY-NINTH CONGRESS
FIRST SESSION



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LETTER OF SUBMITTAL

Hon. TOM MURRAY,
*Chairman, Committee on Post Office and Civil Service,
House of Representatives, Washington, D.C.*

DEAR MR. CHAIRMAN: The subcommittee is conducting a continuing study of improved manpower practices in the Federal Government, including such items as: increased employee productivity, elimination of duplicate or overlapping functions, recruiting, training, mechanization, and other similar functions, constituting part of the duties of each Government department and agency in the effective performance of its mission. Through quarterly manpower utilization progress reports the various Federal departments and agencies report to the subcommittee their improved manpower management plans, programs, and accomplishments.

This report covers examples of these improved management practices reported during the first two quarters of fiscal year 1965 (July through December 1964) and contains a list of department and agency representatives who may be contacted if further information is desired concerning any of the examples cited. The report also contains civilian employment data, with a showing of significant employment changes in the Federal departments and agencies during the calendar year 1964. It also includes a list of positions abolished during the quarter ended December 31, 1964, by the various departments and agencies, in accordance with the provisions of section 125(b) of the Government Employees Salary Reform Act of 1964.

By publishing these management improvement practices, the subcommittee believes that renewed interest will be generated through this exchange of information between departments and agencies and, in turn, effect further economies throughout the Federal Government.

Sincerely yours,

DAVID N. HENDERSON,
Chairman, Subcommittee on Manpower.

FOREWORD

This print contains examples of improved manpower management plans, programs, and accomplishments, developed by the various departments and agencies of the Federal Government during the first two quarters of fiscal year 1965 (July through December 1964). The departments and agencies submitted these examples in their quarterly manpower utilization progress reports to the Manpower Subcommittee.

The Manpower Subcommittee each quarter receives from the 26 largest departments and agencies a report showing employment data with an explanation of employment trends, manpower problems, and management improvement accomplishments. These reports are summarized for the use of the subcommittee members as well as for management in the departments and agencies.

This report is published for the primary purpose of revealing the improvements in manpower management developed by the various departments and agencies so that through this exchange of information, further economies will be developed throughout the Federal Government.

Manpower utilization, as interpreted by this subcommittee, reflects the total, or comprehensive picture of the use of personnel to the assigned missions of the department or agency. An effective and complete manpower utilization report must, under ordinary conditions, reflect the work of many functional areas including personnel, fiscal management, management analysis, and training.

IX

SUMMARY

IMPROVED MANPOWER MANAGEMENT IN THE FEDERAL GOVERNMENT—EXAMPLES FOR THE PERIOD JULY–DECEMBER 1964

Civilian employment in the Federal Government decreased by more than 7,400 employees during the past year, comparing December 1963 employment with December 1964. Likewise employment decreased by more than 27,400 employees, between June 1963 and June 1964, and by more than 30,300 employees, between September 1963 and September 1964. In the first two quarters of fiscal year 1965 (July to December 1964), covered by this report, the departments and agencies have reported to the Subcommittee on Manpower many significant savings in personnel and dollars. There were reported during this period in accordance with the Government Employees Salary Reform Act of 1964, the abolishment of 3,613 positions. Examples of savings through various management techniques cited in this subcommittee report total more than \$25 million.

Some typical examples of improved management reported to the subcommittee during the first two quarters of fiscal year 1965, follow.

The Forest Service, Department of Agriculture, expects to save \$9 million in fiscal year 1965 through use of surplus property, such as research, construction, motorized, test, and electronic equipment, and furniture, bedding and the like, rather than purchase new property.

The Weather Bureau, Department of Commerce, through adoption of a plan for consolidation of its computers in the Washington area, expects to save \$1.6 million. Likewise the National Bureau of Standards, Department of Commerce, by reducing the support of 30 lower priority projects, effected annual savings of \$748,000, including the value of 31½ man-years, to apply to its major programs.

Sharpe Army Depot, Department of the Army, by installation of staggered shifts eliminated approximately 2,000 hours of overtime. Department of the Navy's student trainee and apprentice programs supplied 269 graduates to scientific and engineering manpower requirements and 1,581 skilled mechanics to the work force. The Department of the Air Force made 803 personnel spaces available for redistribution to meet priority requirements in the first quarter by installation of data processing equipment worldwide.

The Food and Drug Administration, Department of Health, Education, and Welfare, estimates a savings of \$60,000 in fiscal year 1965, through consolidated purchases of scientific glassware required by the district offices.

The Department of the Interior estimates savings for fiscal year 1965 of at least \$270,000, through reducing the actual cost of reproducing publications. The Immigration and Naturalization Service, Department of Justice, used standby time at northeast border ports of entry for performance of clerical duties valued at \$40,900.

The Department of Labor reports an estimated savings of \$94,000 for fiscal year 1964, through use of General Services Administration

automobiles for official travel in lieu of privately owned automobiles. The State Department by adding four GS-2 typists to the staff of the U.S. Despatch Agency in New York City is able to handle all its freight forwarding without use of a contract freight forwarder at reduced costs of \$15,000 to \$20,000 annually.

Treasury Department by the elimination of duplication of effort between the Commissioner of Internal Revenue Service and the Chief Counsel, Internal Revenue Service, produced net annual savings of 86 man-years and approximately \$814,000.

Further and more detailed examples follow.

DEPARTMENT OF AGRICULTURE

Use of surplus property

The Agricultural Research Service saved approximately \$875,000 in the first quarter of fiscal year 1965 through the use of surplus property such as laboratory equipment, walk-in refrigerators, temporary buildings, vehicles, and the like, rather than purchase new property. The Forest Service likewise estimates savings of close to \$9 million for fiscal year 1965, through use of surplus property such as research equipment, construction equipment, motorized equipment, test equipment, electronic equipment, furniture, bedding, and the like.

Savings in reports management program

The Office of Plant and Operations, in implementing a department-wide reports management program, reports savings of about \$140,000 for the period through August 15. Since this includes only 30 to 35 percent of the reports compiled, fiscal year savings of about \$140,000 are projected by eliminating 54 reports and the improvement of 215 others.

Economies in travel

Prior to July 1, 1964, practically all travelers in Farmers Home Administration State offices traveled by privately owned vehicles for which they were reimbursed at 9 cents per mile. Effective July 1, 1964, such travelers were given the option of using GSA motor vehicles (which would cost slightly less than 7 cents per mile) or privately owned vehicles and be reimbursed at the rate of 7 cents per mile. Savings of \$155,000 are estimated for fiscal year 1965.

Forest fire detection by aerial patrol

Region 6 of the Forest Service, fixed forest fire lookout stations and lookout personnel are being replaced with a system of aerial detection which provides a detection intensity related directly to probability of fire starts and to burning intensity. Other regions are also evaluating this management improvement project. Estimated savings of \$20,400 and 6 man-years are reported for fiscal year 1965.

Savings under competitive bid procedure

Under a new competitive bid procedure, the Agricultural Stabilization and Conservation Service moved almost 21 million bushels of wheat from Great Lakes ports to the Buffalo area and the east coast, at a savings of \$750,000.

Use of centralized dictating system, photocopying equipment, and guide and form letters

Management improvements worth an estimated \$156,000 have been achieved by the Office of the General Counsel through (1) improved utilization of stenographic staff through the installation of a centralized machine dictating system in Washington; (2) increased use of photocopying equipment; and (3) more use of guide and form letters.

DEPARTMENT OF COMMERCE

Consolidation of computers

A total savings of \$1.6 million will be realized during fiscal year 1966 and fiscal year 1967, through the recent adoption of a plan for consolidation of computers of the Weather Bureau in the Washington area. In addition the plan obtains, at no additional cost, needed added computer capacities that would have cost another \$2.7 million during fiscal year 1966 and fiscal year 1967 if performed on the present less powerful equipment. Up to this time three separate large computers have been required to carry on the national weather analysis and forecast programs, the operational meteorological satellite work, and fundamental research into global geophysical processes. With the advent of modern numerical computers capable of processing several programs simultaneously it is possible to consolidate computer operations on a single machine to replace the three installations now in use. An order has been placed for delivery in July 1965 of one of the first of the new computers.

Clerical measurement system

The Patent Office has recently developed a work measurement system covering 254 clerical personnel that provide support to the Office's patent examiners. The measurement system provides strong positive incentives to clerical personnel to maintain satisfactory performance levels by restricting consideration for promotions and in-grade increases to those personnel who consistently achieve or exceed the established performance "norms."

Some indication of the success that the Patent Office has enjoyed with this system are evidenced in these figures relating to fiscal year 1964—the clerical force raised its output of basic typing work by 10 percent, while overall strength was cut 9 percent. In addition, a substantial clerical backlog accumulated by the end of December 1963 was completed and clerical work has been kept current while patent examiners' actions have increased from 17,000 to 19,000 monthly.

Cost system developed in the Office of Research and Development

Maritime Administration's Office of Research and Development completed designing a system for producing reliable fiscal information for managing the agency's 100 research and development contracts. Results so far include an organizational consolidation of accounting activities, adoption of full accrual accounting to develop realistic operating costs, expected transfer of accounts to ADP, and possible a new fiscal management reporting system for MARAD. Byproducts now in process are a new system for documenting interagency agreements, revised methods for processing contracts, and direct machine-to-machine processing of contractor's data.

Reprogramming makes funds available for new programs

The National Bureau of Standards financed two new major programs and support for two continuing programs was increased with funds made available by reducing the support of 30 lower priority projects. Savings on an annual basis of \$748,000, including the value of 31½ man-years were made available by this means. The new programs were operation of the linear accelerator facility, and support for the standard reference data program. The continuing programs which received increased support were operation of the low-frequency station WWVL, Boulder, Colo., on a 24-hour basis; and, financing a full year of the costs of the visiting scientist program of the Joint Institute for Laboratory Astrophysics.

Computer-produced line charts

Computer programs have been developed which produce annotated line charts in much less time, and in larger quantities, than before. The Bureau of the Census now can produce a chart in 4 hours by computer, as compared with 2 days to draw one manually. For this quarter, approximately 75 pages of charts were drawn, covering business cycle developments, economic growth, and other current studies, with a net savings of \$800. Total savings of \$4,000 are anticipated during the year from this new procedure, and are expected to rise to \$5,500 in future years.

New computer-controlled phototypesetting technique used in printing

The Patent Office previously described application of a new computer-controlled phototypesetting technique in producing the "Classification of Patents" portion of the 1963 edition of the Index of Patents. This technique has now been extended to producing the "Classification of Patents" published weekly in the Official Gazette. Estimated savings for both publications are about \$10,000 annually.

Typewriter repairing in-house effects savings

A cost-comparison study for the typewriter repair shop revealed that the use of in-house facilities rather than commercial facilities was effecting savings of \$500 per week in repair and maintenance costs.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE ARMY

Multilevel training of enlisted personnel

Armywide shortages of technical personnel, particularly in the communications maintenance field, indicated that a modified concept of certain MOS training was necessary. The present length of most technical courses renders utilization of 2-year inductees impractical and the current training program has not provided adequate numbers of graduates to relieve the shortages.

The multilevel training program was developed to attack the problem. It is a program in which enlisted men are trained in reduced-length school courses, sent to a unit for duty during which they progress to a higher level of skill through supervised on-the-job training for a year, and subsequently are returned to school for further training.

The program published July 27, 1964, will reduce the basic school training time, increase the number of men on the job for a longer period of time, and permit utilization of 2-year inductees who have been otherwise ineligible for long courses. Consequently, more personnel can be trained in a given period and an additional incentive for further service of inductees as well as Regular Army personnel will be provided.

Programing efforts centralized for Active Army personnel information

Each of the six CONUS Army Headquarters are equipped with RCA 501 computers to support the requirement for Active Army personnel information. To develop a standard system common to all CONUS armies, and with optimized computer programs and uniform operating procedures as well as to conserve scarce technical manpower, the programing efforts for this system were centralized in the U.S. Army Data Support Command (USADATCOM) in fiscal year 1964. It avoided the cost of each of the six CONUS armies developing their own programs. In fiscal year 1965 the maintenance and revisions of the 23 programs, which is required to keep the system responsive to changing user requirements, is being accomplished centrally by USADATCOM. This improvement was installed during the first quarter, fiscal year 1965, with a savings of \$36,300 for the quarter.

Use of diagnostic test equipment on wheeled vehicles

Sharpe Army Depot has installed diagnostic test equipment for the determination of repair necessary on wheeled vehicles and wheeled construction equipment, which will decrease man-hours required in road testing, disassembly, and unnecessary repair of this type of equipment. When standards are fully developed, this equipment is expected to reduce costs in manpower and parts in repairing wheeled vehicles and wheeled construction equipment 10 to 20 percent.

Tests of management improvements identified potential savings

Analysts trained at the Army Management Engineering Training Agency began making onsite improvements in methods and procedures and developing performance standards in 4th U.S. Army at Forts Bliss and Sill. Initial progress report covering the first 2 months of the tests (October and November 1964) have identified potential for significant savings in personnel spaces and increases in personnel productivity estimated to save approximately \$126,000. Commanding generals of Zone of Interior armies and MDW are being informed of developments that may assist them in improving personnel utilization and implementation of AR 1-50, "Work Measurement," November 5, 1964.

Use of semiskilled labor effects savings

Semiskilled labor is being utilized at Sierra Army Depot instead of skilled labor for installation of new airlines. Replacement of steel pipes with plastic pipes in wood runners enables utilization of less skilled labor with lower hourly rates of pay. Savings thus far are \$1,100. Total savings are estimated at \$13,000 for fiscal year 1965.

Installation of staggered shifts eliminates overtime

A study of shipping and receiving operations within the storage division at Sharpe Army Depot was initiated to determine improve-

ments which could be accomplished in depot supply performance. The study determined that by increasing the number of personnel on the swing shifts and changing the workweek of 90 employees from Monday through Friday to Tuesday through Saturday, that increased supply performance would result and that approximately 2,000 hours of overtime could be eliminated. Staggered shifts were started on December 7, 1964.

DEPARTMENT OF THE NAVY

Management improvements effects manpower savings

Activities assigned to the Field Support Group, Bureau of Naval Weapons, have reported management improvement actions accomplished which resulted in a manpower saving equivalent to 176 civilian spaces (including 44 indirect hire) and 94 military billets. Improved manpower utilization savings were realized through reassignment of personnel to more essential work, abolishment of positions or billets, or cancellation of position or billet requirements. The management improvements effected involved: (a) elimination of nonessential functions, (b) combination of tasks and functions, (c) more effective supervision, (d) lengthening of equipment maintenance cycles, (e) using temporary hires for peak workloads, and (f) application of performance standards.

Retraining Navy career employees

Recent directives established policies and outlined procedures for conducting retraining programs designed to provide better utilization of manpower skills and to maintain stable employment for career employees of the Navy. These policies and procedures place special emphasis on the retraining of employees as an effective tool in updating skills to meet long-range manpower needs stemming from automation, changes in mission brought about by advances in technology, and other management decisions in cost reduction programs. Of immediate concern is the advance planning needed for retraining in order to qualify and place employees affected by base closures, transfers of function, and major reductions in force in positions for which they do not presently qualify. The greatest challenge to full utilization of these employees in the retraining effort is not only teaching new skills, but in the attitude that must be changed, the responsibilities that have to be reassessed, and the self-image of the job that needs to be adjusted for those affected.

Relocation of Marine Corps battalion resulted in savings

The Marine Corps recently deactivated Camp Matthews, Calif., and relocated its units to neighboring campsites. The principal integral unit involved is the weapons training battalion, Marine Corps Recruiting Depot (MCRD), San Diego, Calif., which was relocated to Camp Pendleton, Calif. The assumption of the base support requirements by Camp Pendleton permitted the deletion of the organic maintenance and communications sections of the weapons training battalion and eliminated a requirement for 12 structural firefighters.

Manpower surveys may reduce or increase personnel authorizations

(a) Final report of manpower survey of the Naval Air Station, Brunswick, Maine, reduced station ceiling/allowance 9 civilian positions and 25 military billets.

(b) Final report of manpower survey of the Naval Torpedo Station, Keyport, Wash., increased station ceiling/allowance 31 civilian positions and 13 military billets.

Student trainee and apprentice programs

The student trainee program supplied 269 graduates to scientific and engineering manpower requirements. Over 1,100 trainees of this program are now employed in professional positions with the Navy. Through the apprentice program, 1,581 skilled mechanics were added to the work force through graduation, with 4,664 apprentices now in training in over 40 different trades in 33 naval activities.

Marine Corps military proficiency test

The Marine Corps Institute has recently developed a new general military subjects proficiency evaluation test. This test is an excellent management tool which enables commanders to evaluate individual proficiency and the effectiveness of the unit training program. The test results point out those areas which need additional training emphasis and permit a more selective approach to subsequent or progressive training.

DEPARTMENT OF THE AIR FORCE

Organizational improvement increases efficiency and savings

The Air Force has been scrutinizing the size and composition of various headquarters between departmental level and the operating unit. It was determined this quarter that certain functions now being performed both in Eastern Air Transport Force Headquarters at McGuire Air Force Base, and at the Western Air Transport Force Headquarters at Travis Air Force Base could be consolidated at the Headquarters Military Air Transport Service (MATS), Scott Air Force Base, Ill. This consolidation saves manpower and, at the same time, speeds the flow of communications between the Department and the operating units. Effective fiscal year 1965, an annual savings of \$283,180 will be realized.

Manpower savings resulting from installation of automatic data processing equipment

Installation of data processing equipment worldwide made 803 personnel spaces available for redistribution to meet priority deferred requirements during the period July 1, through September 30, 1964. An additional 400 spaces are projected for withdrawal during fiscal year 1965.

Improved system for publication of telephone directories

Through research and evaluation of 143 telephone directories, it has been determined that the Air Force can achieve a savings of between \$250,000 and \$555,000 by using the sequential card system for composing telephone directories. Under this system, the average telephone directory presently totaling 75 pages will be reduced to approximately 37 pages. An additional important factor is that

each issue will be approximately 6 weeks nearer up to date when the finished directories are delivered. Concurrence has been obtained from the Congressional Joint Committee on Printing and the Air Force is now in the process of issuing necessary implementing directives to the field.

Consolidation of passenger reservation agencies

Consolidation of overseas passenger reservation agencies has been completed. One agency is in operation at McGuire Air Force Base, N.J., and the other is located at Travis Air Force Base, Calif. The former agency became operational on March 1, 1963, while the latter became operational on September 1, 1964. The agency at McGuire Air Force Base provides reservation services for all personnel departing from McGuire Air Force Base and Charleston Air Force Base, while the agency at Travis Air Force Base provides reservations for all personnel departing Travis Air Force Base and McChord Air Force Base. The 28 manpower spaces formerly used in passenger reservation activities were withdrawn to meet higher priority programs when these agencies were consolidated. The Air Force is enthusiastic about this project and has already begun developing procedures for operation of similar reservation agencies within the overseas areas. It is anticipated that these agencies will become operational, on a test basis, within the remainder of fiscal year 1965.

Consolidation of household goods shipping offices

By memorandum dated January 28, 1964, the Assistant Secretary of Defense (Installations and Logistics) designated three geographical areas where a pilot test of a consolidated household goods shipping office (multiservice) would be operated. The memorandum assigned the San Antonio, Tex., area to the Department of the Air Force, the Washington, D.C., area to the Department of the Army, and the Norfolk, Va., area to the Department of the Navy. The Air Force plan for operation of the San Antonio consolidated office was submitted on June 15, 1964, to the Department of Defense for review and approval. Under date of August 28, 1964, the Department of Defense directed that the consolidated office in San Antonio be established. The activation date was set as December 1, 1964.

Handling the actual traffic management of all household goods, baggage, and house trailer movements originating or terminating in the areas formerly served by Fort Sam Houston, Brooks Air Force Base, Kelly Air Force Base, Lackland Air Force Base, and Randolph Air Force Base, the consolidated office was activated on date specified and can be expected to effect economies estimated at \$250,000 annually in transportation costs through consolidation of traffic to high-density areas. Formerly the above installations were staffed by 72 military and civilian personnel on a full-time basis, with an operational cost of \$377,440. The consolidated office is now staffed with 47 military and civilian personnel. A total of 20 military and civilian personnel have been retained at the bases to perform briefing and counseling responsibility. Total cost for the two operations is approximately \$351,500 per year.

New equipment effects reductions in firefighter manpower

During the reporting period delivery was completed on the balance of second increment procurement of 49 of the new P-2 fire rescue

vehicles. The inservice placement of these vehicles has resulted in the withdrawal of 160 firefighter manpower spaces during the first and second quarters of fiscal year 1965. This is a continuation of progress to obtain more effective manpower utilization, space reduction, and simultaneous increased fire protection capability. This action was implemented with the initial delivery of the P-2 vehicles in fiscal year 1963. To date, 75 of these P-2 vehicles have been delivered, and 590 manpower spaces withdrawn for higher priority programs. The space reductions to date represent an equivalent cost saving estimated to exceed \$3 million per annum. This reduction is made possible by the over twofold increase in "fire power" output capability and related manpower productivity. For instance, the P-2 vehicle, with a single manning crew, will take the place of two of the former type O-11A vehicles, each with a separate manning crew.

Substantial savings through in-service operations

The Air Force studied the motion picture, still photographic, and closed circuit television support now being furnished to the Space Systems Division of the Air Force Systems Command. Currently this support is being furnished by contract. Based on the cost of the contract in operation at the time of the study, it was determined that annual savings of approximately \$400,000 per annum could be realized if this support were furnished with inservice resources. As a result of new contracts, the amount of saving will be reduced to approximately \$200,000 per annum. Based upon this study, manpower has been authorized for inservice operation effective July 1, 1965.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Typesetting by computer

The National Library of Medicine of the Public Health Service sponsored development and has successfully applied a new electronic device which automatically takes information from the magnetic memory of a computer, organizes the material in proper form (sequenced as it should appear in print), selects appropriate type fonts, and produces complete page images on photographic film. The machine sets and composes type at the rate of 3,600 words per minute, making it the world's fastest method for setting type. The film is then used in printing processes to produce Index Medicus, a monthly and annual cumulative publication of great importance to the biomedical science community and private medical practitioners of the Nation. The Graphic Arts Composing Equipment (GRACE) will process the indexed citations for approximately 150,000 articles each year, which are contained in some 2,300 biomedical periodicals published in the United States and abroad. The machine results in printing of quality equivalent to that obtained with conventional systems, at great savings in manpower and with capacity to expand as the volume of biomedical publications grows in the future. Perhaps equally important, the material can be printed and in the hands of users weeks earlier than was possible using manual methods. The first application of the equipment was for publication of the August 1964 edition of Index Medicus (which contained 1,800,000 words set and composed by GRACE in 16 hours operating time).

Statistical sampling in examination of vouchers under \$100 results in savings

On August 30, 1964, Public Law 88-521 was passed permitting the use of statistical sampling procedures in the examinations of vouchers of amounts less than \$100. The passage of this law is in part a result of the findings made by this Department which indicated that the adoption of a sampling procedure would result in an annual savings to HEW of \$268,000. The findings of the HEW study may be summarized as follows: The money value of both vouchers processed and errors discovered is heavily concentrated in the larger size vouchers, although these vouchers are only a small percentage of all vouchers processed. In contrast, vouchers under \$100 represented 66 percent of the total number of vouchers but only 6 percent of the total money involved and 7 percent of the money involved in errors. Examination of vouchers below \$100 is uneconomical because the cost of examination far outweighs the amounts recovered in that category. Examination of the higher amounts is practical and the results in recoveries justified the cost.

Savings through elimination of relay centers

As a result of numerous studies on equipment and network configuration, the Social Security Administration eliminated 17 of the 45 established relay centers of their nationwide telecommunications system. An estimated savings of \$120,000 annually was made with no corresponding loss in service.

Savings through consolidated procurement

In order to obtain maximum quantity discounts, the Bureau of Regulatory Compliance, Food and Drug Administration, is preparing consolidated orders for scientific glassware required by district offices. Previously each district submitted individual orders for its needs. It is estimated that by using two consolidated orders the Bureau will save an estimated \$60,000 in fiscal year 1965.

Letter-of-credit system of payments

In order to accelerate reduction of cash balances held by grantees and other recipients of advance payments, the letter-of-credit system is being prescribed for departmentwide use under all programs involving advance Federal payments. The system initiated in the National Institutes of Health, Public Health Service, for payments to educational and other institutions will be extended as soon as possible to the programs of the other operating agencies and a similar system will be developed and installed for payments to State and local governments.

Efficiency through new mail dispatch system

The Mail Section, Division of General Services, Office of the Secretary, during the past quarter became the first Government activity to install a new system in mail dispatch as part of the zone improvement plan of the Post Office Department. The system introduces a basic presort of outgoing mail to 14 points which will allow for more efficient and expeditious handling of the mails. DHEW mail going into the Washington city post office will bypass, in most instances, a primary sort and will be dispatched directly to the transportation media. By this method mail in most cases can be delivered 1 day earlier. Other Government agencies are observing this model system.

DEPARTMENT OF THE INTERIOR

New nuclear moisture probe effects savings

The development of nuclear moisture and density probes by the Bureau of Reclamation has advanced to the stages where they can be used with assurance to both measure and trace the flow of moisture at depths up to 200 feet. Bureau employees are being trained in the possible uses of the equipment, methods and precautions of handling it, and interpretation of data obtained.

In one known subsidence area continuous flooding was used to consolidate about 50 feet of subsurface for several miles in length. Conventional methods would require repetitive drilling and sampling of earth to trace extent of penetration. In this instance and over a 6-month period, use of the probes resulted in an estimated savings of \$108,000, and savings in subsequent construction time and in design costs are substantial although intangible.

Joint use of facilities by separate agencies results in savings

The Gila Cliff Dwelling National Monument, in New Mexico and under the National Park Service, lies within the boundaries of the Gila National Forest, administered by the Forest Service. The two agencies entered into an agreement for joint use of a headquarters site and joint planning, development, and management of recreation facilities. The agencies will share operating expenses. Approximately \$245,500 in savings will accrue to the Park Service on land and development costs. The Forest Service will realize comparable savings.

Manpower savings through reduced reporting requirements

The Migratory Bird Treaty Act regulations provide that migratory birds may be taken from the wild, processed, propagated in captivity, transported, purchased, and sold under permit. A survey conducted by the Bureau of Sport Fisheries and Wildlife indicates that of the 5,000 waterfowl propagators operating under Federal permit, approximately 80 percent do not raise birds in quantity nor sell birds for food. The bulk of permittees raise birds for personal pleasure.

Inasmuch as the birds are not entering commercial channels, no need exists to require annual reports or periodic inspections to assure wild birds are not being trafficked in commercially contrary to the provisions of the act. In view of the preceding, the Bureau will confine waterfowl propagating permits, annual permittee reports, and periodic inspections to permittees who are in the business of raising migratory birds.

The reduced manpower cost of administration is approximately \$63,000. Other benefits include relief to the public on reporting requirements.

Cost reduction incentive provision in construction contracts

The Office of the Secretary has recently studied and approved for testing purposes, a cost reduction incentive provision for present use in construction contracts. This so-called value engineering step proposes to permit a contractor to share with the contracting agency savings in costs resulting from a suggestion by the contractor (which is accepted by the contracting officer) as to a modification of the plans, specifications, or other contract requirements. The expectation is

that contractors will be stimulated and encouraged to develop improved methods of performance. Such improvements may be perpetuated in similar situations, thus multiplying the opportunities for cost reductions.

Cost reduction of publications program

In a letter to the President, Secretary Udall pledged the Department of the Interior to a 10-percent reduction in the Department's publications program.

The publications cost reduction program was specifically directed to reducing the actual cost of reproducing publications which are not primarily for internal Department use, excluding press releases. Bureaus were instructed to maintain appropriate records so that these savings could be verified by internal audit. Estimated savings for fiscal year 1965 continue to project to at least \$270,000 or 11.2 percent of the originally programmed Department total. The bureaus are in the process of implementing many specific, positive economy actions, indicating a determined effort to make this saving.

For example the Office of the Secretary completed makeup copy for the new general Department statement which replaces the older annual report. Individual bureau and office statements have been eliminated and the publication has been designed as a broad public sales document. This change will effect a continuing annual saving of \$11,000.

DEPARTMENT OF JUSTICE

Reorganization in Criminal Division produces savings

On July 20, 1964, the Trial Staff of the Criminal Division was discontinued as a separate entity. The attorneys formerly assigned to it were reassigned to the enforcement sections and to the staff of the Assistant Attorney General. This action will promote better utilization of these more experienced trial attorneys in the enforcement sections, while they are still available for trial assignments as required. The action also resulted in the elimination of the position of Chief of the Trial Staff, for a recurring annual saving of \$18,935.

Efficiency through use of standby time for performance of clerical duties

Standby time at northeast border ports of entry was used by the Immigration and Naturalization Service in processing 1,050,285 annual alien address report cards. This required 12,394 man-hours (valued at \$40,900) which otherwise would have been expended by clerical personnel.

Survey of reports results in savings

After a survey disclosed that information supplied by field offices on a special report could be obtained by deductive process from other reports, the special report was abolished, resulting in fiscal year 1965 savings of 1.5 man-years valued at \$6,400.

Installation of improved communications equipment effects manpower savings

Through installation of improved communications equipment in the Criminal Division, two secretarial positions were eliminated, resulting in a fiscal year 1965 savings of 1 man-year, representing \$5,055.

DEPARTMENT OF LABOR

Automatic data processing reduces overtime

All the fiscal reporting procedures for title III of grants to States for unemployment compensations and employment service administration have been revised and adapted to automatic data processing. The revisions have achieved a reduction in both the number of reports required and the number of items required to be reported. More efficient processing has reduced by 220 hours the overtime used to prepare the tentative budgets for fiscal year 1965 over that used for the same function for fiscal year 1964.

Savings through having the Government Printing Office print and direct mail posters

A new method of handling Post Office flyers informing the public on new regulations under the FLSA has been developed with the cooperation of the Post Office Department and the Government Printing Office. The Post Office flyer is a display poster used on public bulletin boards. The new procedure provides that the GPO print and direct mail 40,000 posters to post offices throughout the Nation. This procedure eliminates the old method of handfolding, stuffing, addressing, and mailing each item by regional and field office personnel several times each year. It is estimated that the new procedure saves approximately \$2,500 for each mailing.

Elimination of duplication through interagency cooperation

Arrangements have been completed for the Atomic Energy Commission and the Federal Bureau of Mines to conduct safety and health inspections in conjunction with their activities, to determine compliance with the safety and health provisions of the Public Contracts Act. This procedure eliminates a duplication of effort on the part of the agencies involved and provides for the conduct of inspections by personnel having special technical competence. Discussions with the Navy Nuclear Board to develop a similar arrangement are continuing.

All payrolls automated

All payrolls of the Department have been completely converted to a centralized computer operation. In addition to replacing a variety of individual bureau systems with a single uniform system, it is now possible to machine generate a variety of accounting, tax, and personnel reports required for Federal and State purposes.

Savings through use of General Services Administration automobiles

The use of GSA automobiles for official travel in lieu of privately owned automobiles resulted in an estimated savings of \$94,000 for fiscal year 1964. This effort is being expanded and additional savings are anticipated.

DEPARTMENT OF STATE

Increased staff effects savings over contract services

As a result of adding four GS-2 typists to the staff of the U.S. Despatch Agency in New York City, the Agency is now able to handle all of its freight forwarding without the use of a contract freight forwarder. This change will reduce operating costs of the Agency from \$15,000 to \$20,000 annually, and service to posts abroad will be improved.

Automation of international travel reporting

Automation of international travel reporting has resulted in an annual savings to the Department of \$25,000 in overtime pay.

Mechanized voting record charts

A mechanized system for preparing comprehensive voting record charts for each U.N. member has saved 28 man-weeks of effort each year in the Bureau of International Organization Affairs, at an estimated salary cost of \$5,000 per year.

Savings through purchase of reproduction equipment

The purchase of an automatic exposure control attachment for a microfilm machine has increased production approximately 80 percent, saving about \$1,700 in employee time. Through the purchase of an accessory item for a microfilm camera, used to film substantive communications which are filed in the central foreign policy file, which allows use of 16-millimeter film instead of 35-millimeter and adjustments in the spacing between frames, an annual savings of \$25,000 will be realized. The microfilming is for the purpose of obtaining 5 by 8 inch index cards used as finding aids for the subject file. The volume of index cards totals approximately one-half million annually.

Revision of airgram form reduces processing costs

Several employee suggestions prompted revision of the airgram form to provide preprinted distribution blocks for use of overseas posts. This change, along with other minor changes, will simplify processing of airgrams at overseas costs and result in a worldwide savings of \$67,000.

Reduction of administrative reporting

An intradepartmental committee completed the first phase of a project to reduce the burden of administrative reporting from Foreign Service establishments abroad. The intensive review resulted in the outright elimination of 18 reports, the anticipated elimination of three reports in the near future, and the modification of six reports which will become simplified and in some cases be required less frequently. The elimination of the 18 reports will result in an overall reduction of approximately 10,000 report submissions from the field.

Long-term studies of an additional 22 reports have been initiated with the expectation of substantial reductions. Fifteen of these are elaborate disbursing officer reports which the committee, working with the Treasury Department, hopes to modify.

TREASURY DEPARTMENT

Elimination of duplication in Internal Revenue Service results in considerable savings

A study was made of the duplication of effort existing between the Commissioner of Internal Revenue Service and the Chief Counsel, Internal Revenue Service, in the preparation and review of tax legislation, rulings and regulations.

The principal recommendations of the study group were that the Chief Counsel should be assigned responsibility for tax legislation and regulations and the Commissioner of Internal Revenue for rulings. The number of reviews was greatly reduced and the purposes for reviews were made more restrictive.

The net annual savings resulting from this action amounted to 86 man-years and approximately \$814,000.

This was effected without a reduction in force. All employees affected were placed somewhere else in the Internal Revenue Service, in a position which afforded full utilization of their capabilities. This was accomplished by providing full information regarding each individual's qualifications to all offices in the Internal Revenue Service which were recruiting personnel. Only one person was reduced in grade and this was a voluntary reduction of one grade with no loss in pay.

Standard vessel organization manuals issued for the various classes of vessels

Standard organization and regulations manuals have been developed for the various classes of vessels by the Coast Guard to provide for uniformity in organization and methods of operation. In the past, each floating unit had developed its own operating manual in accordance with a basic format, requiring an estimated average of 180 man-hours yearly for each of the 332 floating units. With the issuance of headquarters-prepared manuals, the regained manpower, 27 man-years, is being devoted to other shipboard management tasks.

Mechanization of one-time check payments

The Division of Disbursement has had considerable success in printing checks for miscellaneous payments by transfer of data directly from the voucher schedules submitted for payment by the administrative agencies. One operator using one of these machines can print about twice the number of checks the average typist can produce in a day. Additionally, the proofreading operation is eliminated. Fifty machines are being purchased for delivery in February and March of 1965.

Verification of vessel manifests on a random sample basis effects savings

A study of verification of customs procedures in use at the port of New York disclosed that the number of outward vessel manifests verified could be reduced from 100 to 10 percent, on a random basis, without seriously diminishing the effectiveness of the verification program. Consequently, new procedures were implemented with the result that six positions, representing \$40,500 in annual salaries, were abolished.

Decentralized procurement of tax forms

Authority was obtained in fiscal year 1964 from the Joint Committee on Printing to decentralize the reprinting of tax forms in regions served by a Government Printing Office field plant. Authority has now been obtained for decentralized commercial procurement in other regions to curtail overordering and overstocking. Overall savings cannot be accurately computed until the end of the filing period; however, an estimate of annual savings of \$100,000 is conservative.

Coast Guard lowers cost of survival suits

In the past, flight crews and boat crews had little or no protection from exposure should they be immersed in cold water. Flight exposure apparel used by the other services was prohibitively expensive, costing \$100 to \$300 each. Thus, the Coast Guard looked into the possible use of the less expensive wet suit (used by scuba divers), and

adopted it first for helicopter crews. The wet-type suits, selling for about \$35 each, were later accepted for use by small boat crews as well as for shipboard operations. Through adoption of much less expensive apparel than that commonly used, a one-time savings of some \$321,000 will be realized. For the approximately 1,950 wet suits required, there is an average savings of \$165 per suit. Recurrent savings of some \$64,000 will accrue from yearly replacements of the exposure apparel.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Increased economy and efficiency through reorganization

A major reorganization of the mission in Chile was completed resulting in the termination of marginal projects, elimination of three of the five major operating divisions within the mission, and reduction of 15 United States and 19 local positions. Increased economy and efficiency, improved effectiveness, and more precise assignments of functions and responsibilities were achieved.

Savings through centralized fiscal operations

To permit more efficient use of controller personnel, the entire fiscal operation for 12 African countries has been centralized in AID/Washington, and the controller staffs in these countries have been eliminated. The consolidation was accomplished with only a minor staff increase in Washington, and a net reduction of 6 American and 12 local positions should result.

Employee training programs

During the third quarter of fiscal year 1965, 20 Washington supervisory employees from the Office of the Controller will participate in a supervisory training course designed to increase employee productivity.

A special training program designed to meet the need for 10 French-speaking auditors for the Vietnam program will also be initiated during the next quarter. The program will include orientation for duty in Saigon, specialized training in audit responsibilities and financial management activities, including on-the-job experience, and intensive instruction in French. This program will also help alleviate urgent worldwide needs for hard-to-find, French-speaking auditors.

The Sixth Seminar on Management of Material Resources sponsored by AID was conducted by Ohio State University during the period October 5-30. The objective of the seminar was to promote the most effective and economical utilization of material resources. The 11 graduates of this seminar bring to 93 the number of AID employees who have participated in the program.

ATOMIC ENERGY COMMISSION

Savings through centralized guard force

Following review of organization and manpower utilization for guard force and security escort services at the Idaho operations office and with regard to recommendations of the General Accounting Office concerning reduction of costs in these services, plans are being developed to establish a central guard force of AEC employees to replace three of the four separate forces now in operation. Although an increase of 41 positions in the AEC guard force will be necessary

to staff the central force, the elimination of 2 of the guard forces will reduce total costs by about \$150,000 and will reduce the total staffing for these services by more than 19 positions.

CANAL ZONE GOVERNMENT

Employee ex officio customs officers used for inspection and sealing household goods

Use of employee ex officio customs officers for inspection and sealing of repatriation shipments of employees' household goods has been initiated. This action was taken to forestall a rate increase proposed by the local van lines in handling our northbound shipments under Public Law 600 because of additional expenses being incurred by them in arranging U.S. Customs clearance of shipments in New Orleans. It is estimated that an annual savings of \$20,000 will accrue from the use of employee ex officio customs officers.

Continued reduction in use of overtime

Even though outstanding overtime savings of more than \$1 million were obtained in fiscal year 1964, the same trend in overtime was maintained in the first half of fiscal year 1965, with a further reduction of over \$200,000. These savings continue to be promoted through installation of automatic equipment, rescheduling of personnel, and the close supervision and examination of areas where overtime is required.

Consolidated procurement operations

Revisions in procurement procedures are in process which will simplify and consolidate procurement operations. Implementation of phase I, expansion of direct procurement from the isthmus, is scheduled to begin November 1, 1964, and will result in the reduction of approximately 20 employees for an estimated annual savings of \$100,000. The total plan projects a savings of \$175,000.

More effective ratio of helpers to skilled craftsmen used

The continuing agencywide study being made concerning the use of helpers has resulted in the elimination of 24 helper positions. This is primarily being achieved through the application of a more effective ratio to skilled craftsmen in the vessel repair and locks operations. Minimum savings for the year are estimated at \$48,000.

CIVIL SERVICE COMMISSION

Clerical vacancies filled at lower grade level

With respect to personnel program operations relating to the Commission in total, the end of the fiscal year figures on grade distribution show material progress in staffing entry level clerical positions at the lowest possible grade level. The year end figures for fiscal 1963 and fiscal 1964 show a net decrease in employment in positions between GS-3 and GS-5 of approximately 22 percent. During the same period the number of positions at the GS-2 level increased 21 percent. We believe that these changes show strict application of the new qualification standards for typing and stenographic occupations which has resulted in reduced initial staffing costs for entry level clerical positions.

Simplified job classification standards prepared

Thirteen standards now being printed average 23 pages each as compared to an average of 73 pages for the obsolete standards which they supersede. This represents a considerable savings in printing costs and a significant saving in time of Federal managers and personnel specialists who must read and apply these standards. We believe the briefer standards draw sharper distinctions between grade levels and are much easier for program managers, personnel specialists, and employees to use.

These 13 new standards provide for exactly one-half the specializations of the superseded standards. This is part of an effort to discourage overrefinement of the occupational structure and to provide greater mobility and more effective manpower utilization within and across occupations.

Cross-training of personnel

Commission managers are actively engaged in providing cross-training assignments for their staffs in order to broaden assignment potential and prepare the individuals for greater career opportunities. This dynamic program is paying off in savings in manpower, time, and travel money. Examples of our regional investigative personnel who have been cross-trained in other program areas are:

Investigators, traveling throughout the region on their regular assignments of conducting personnel investigations, are assisting in the college relations and recruiting program. They are making numerous contacts with college placement officers and faculty members for the purpose of fostering good relationships with the recruiting sources. Such contacts eliminate the need for a regional employee's travel for the sole purpose of making a college contact.

Investigators are contacting post office examining points in distant regional locations, while in the area on routine investigative assignments. They evaluate the quality of information service afforded the public, facilities and conditions in the examination room, and report on the welfare and state of the examining point.

Mechanization of index files

The Bureau of Personnel Investigations, as a means of improving the efficiency of the security investigations index and the security file, plans to install mechanized elevator files to replace the present conventional file equipment. The two indexes, containing 8,500,000 and 2 million index cards, respectively, are continually searched as a basic part of the Commission's investigative program and as an essential service to other investigative agencies. Acquisition of the equipment will permit a more effective utilization of manpower, space, and equipment.

It is estimated that installation of the new equipment will permit operation of the indexes with approximately eight fewer people. Purchase price should be recovered in approximately 4 years.

FEDERAL AVIATION AGENCY

Examination of Civil Service Commission's master index files produce savings.

"Executive Order 10450: Security Requirements for Government Employment," provides for persons being appointed to sensitive positions to be investigated before appointment. Formerly, all investigations were made by the Civil Service Commission on a reimbursable basis (now \$390 per investigation). When an investigation is indicated, the Office of Compliance and Security has developed a system of checking the CSC master index, which contains records of personnel security investigations made by all agencies, and reviewing the reports, thus obviating the necessity for CSC action in many cases. This procedure will produce savings of about \$85,000 a year to the FAA.

Discontinuance of 24-hour maintenance by use of occasional overtime

The Plant Services Branch at the National Aviation Facilities Experimental Center has been able to eliminate round-the-clock maintenance and take care of afterhours emergency repairs on a call-back overtime basis. This change has been achieved by careful planning, elimination of areas where there was recurring trouble, and the discontinuance of all but the most essential services. When an emergency repair is required, the Center's switchboard operator, or a member of the guard force, is able to contact pertinent shop personnel at their homes with the least practical delay. An annual savings of \$50,000 is anticipated.

Consolidation of aircraft maintenance bases

Study of FAA aircraft maintenance bases resulted in a decision to realine and reorganize its maintenance bases. Primary aircraft maintenance was consolidated at four locations—Atlantic City, Atlanta, Oklahoma City, and Los Angeles—in lieu of the previous eight locations. Maintenance services previously provided by contract at Atlantic City are now provided at lower cost by Government employees. No overall increase in Federal employment was required as reduction in staffing at other locations offset the additional Government employees at the Atlantic City base. This program has resulted in savings of \$900,000 annually.

Transfer of intermediate fields to local communities

As a result of a systematically planned program, the Agency has been able to transfer 27 intermediate landing fields to local communities in the past year. These transfers have produced savings of \$200,000 in the FAA 1965 operating costs.

Check list form replaces lengthy narrative report

A repair station inspection report form has been devised which will replace lengthy narrative reports. Previously it was necessary for the inspectors to take voluminous notes in order to prepare the narrative reports after finishing the inspections. A reporting form is now used which also insures that each scheduled item will be inspected. Most entries on the form are checks, reducing the written portion to name, address, and remarks. Use of the form is estimated to save 2,000 inspector-hours and 1,000 clerical-hours annually. In

addition, it has standardized the information received and facilitated categorizing and filing. The annual saving is estimated to be \$16,000.

Shipping costs reduced by obtaining competitive bids

By advertising for shipping bids involving the use of specially configured vans, the cost of shipping radar system components has been substantially reduced. Previously this equipment had been expensively crated and shipped, often in two standard vans, at regular tariff rates. This procedural revision will result in an estimated annual saving of \$168,000.

Cost reduction incentive clauses (value engineering clauses) in contracts produce savings

A directive is presently being coordinated which will prescribe the procedures to be used in determining when to include value engineering clauses in contracts.

Some of the major savings to date resulting from the value engineering efforts have been:

(a) *Low activity ACT tower.*—During a review of the original requirements and the elimination and modification of them, the cost of the structure was reduced from \$297,700 to \$185,700.

(b) *Prefab cabs, Canadair.*—The use of value engineering in the preaward phase of this contract resulted in a total cost reduction of \$700,000.

GENERAL SERVICES ADMINISTRATION

Centralized duplicating facility

A centralized field duplicating plant in the new Federal office building at Pittsburgh, Pa., was activated to service the reproduction requirements of the occupants of the building. The establishment of this facility was based on an economic justification developed from information furnished by the Federal agencies scheduled to occupy the building. The economic justification was derived from a feasibility study which compared costs of space, equipment, and personnel under single agencies' operations with those obtainable from the operation of a common service facility, and reflected a total annual savings of \$26,577. The centralized plant is operated by 4 full-time GSA employees, and is servicing the needs of 12 tenant agencies.

Evacuation of warehouse depots reduces costs

The evacuation of defense materials depots at Buffalo and Iona Island, N.Y., by March 1, and April 1, 1965, respectively, will reduce fiscal year 1965 requirements by \$145,900 and annually thereafter by \$499,000.

Reduced blueprint and specification costs

Instead of sending sets of blueprints and specifications on the larger construction projects to all prospective bidders, preinvitation notices stating the project designation, approximate cost, bid opening date, etc., are sent to those firms or individuals on a selected mailing list. Sets of prints and specifications are then mailed only to those who indicate an interest in bidding on the particular contract. Savings in reproduction cost are estimated at approximately \$25,000 per year.

Savings through renovation and use of Government-owned facilities

The Federal Records Center, San Francisco, completed in August a move from substandard warehouse space in South San Francisco to a centrally located warehouse at 100 Harrison Street which had formerly been used as a Marine Corps supply depot and which has been renovated to provide excellent records storage. By renovating this existing Government-owned building and equipping it with shelving at a total cost of \$449,000, GSA avoided the construction and equipment of a previously planned building at San Bruno which would have cost \$1,795,000 plus the value of about 7 acres of Government-owned land. Renovation of the existing building also provided the center with suitable space several years sooner than would have been possible through new construction.

Merger of Federal records center

Liquidation of the Federal records center at New Orleans has been completed. This involved the transfer of the 130,000 cubic feet of records in the center to the regional Federal records centers at Fort Worth and Atlanta and the relocation of shelving and other equipment to the centers at Fort Worth, Atlanta, and Mechanicsburg. The consolidation also resulted in the elimination of five positions. Annual savings resulting from the consolidation are expected to amount to \$50,000 in personnel and other operating costs.

HOUSING AND HOME FINANCE AGENCY

New reports are expected to hold down personnel costs

The Division of Budget and Management, Office of the Administrator, which is responsible for control of the operating budget for the Office of the Administrator, Community Facilities Administration, and Urban Renewal Administration, has instituted a new series of monthly reports to the heads of all operating units. These reports show, for the organizational unit concerned, number of employees authorized, average grade level, personal services costs for the fiscal year to date, projected costs for the complete fiscal year, and the effect of pending personnel actions including scheduled periodic step increases. Employment and cost figures in these reports constitute ceilings which may not be exceeded without specific authority. It is expected that these reports will assist in holding down employment, average grade levels, and personal services costs by encouraging an increased cost-consciousness on the part of all operating heads.

Reports simplification program produces manpower savings

Under the Urban Renewal Administration reports simplification program, the following additional reductions of URA reporting requirements have been accomplished:

<i>URA form</i>	<i>Action taken</i>
H-666, "Report on Relocation of Families and Individuals."	Frequency reduced 67 percent.
H-666A, "Report on Relocation of Business Concerns and Nonprofit Organizations."	Do.
H-693, "Requisition for Capital Grant Payment."	55 percent fewer items.

In addition to reducing manpower requirements of local public agencies undertaking urban renewal projects, these simplifications will reduce the manpower required in regional offices to process and review these submissions. Annual savings are estimated at 5 man-years.

Reduction in overtime

All overtime in the Comptroller's Division, Federal Housing Administration, has been ended except the minimum required for seasonal peak operations, for which year-around staffing would be uneconomical. In fiscal year 1964, a total of \$777,500 was obligated for Comptroller's overtime. In the current year, only \$452,000 has been earmarked for this purpose.

A paperwork management improvement campaign effects savings

A paperwork management improvement campaign in the Office of the Administrator, Community Facilities Administration, Urban Renewal Administration, and Housing and Home Finance Agency regional offices reduced records holdings by 11 percent in both field and central offices. The field reduction is especially noteworthy since it follows a previous reduction of 12 percent completed late in fiscal year 1964. Final report of the campaign showed a total of 2,627 cubic feet of records destroyed or transferred to Agency depository or Federal records center, and an estimated savings in filing equipment of \$13,135.

Savings through termination of review and simplification of procedures

Federal Housing Administration review of terminated home mortgage insurance cases was eliminated and the procedures for processing distributive share payments simplified, resulting in an annual savings of nearly 12 employees with estimated salaries of \$75,500. The savings have been reflected in the 1966 budget estimate.

Extension of ADP accounting procedures

Federal National Mortgage Association extended ADP accounting procedures during the period to accounts receivable, cash receipts, and cash disbursements. This reduced staffing requirements by 38 employees or \$223,000 during this period.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Statistical sampling applied to inventory function

In the past, all materials and supplies at Marshall Center have been inventoried separately, in cycles. Since the cycles were spread over a 12-month period, the status of the entire inventory was not known at any one time.

A recent pilot study demonstrated the feasibility of using statistical sampling techniques in the materials inventory function. The study showed that random sampling can provide highly accurate inventory data on a timely basis, with greatly reduced manpower effort. This technique also proved effective in initially identifying problems and finding their cause. For example, the problem of warehouse refusals was identified through random sampling and the cause was traced to incorrect locator files. Location surveys can now be undertaken to remedy this problem, using the time and manpower effort made available since adopting the new, time-saving inventory method.

Automation of personnel locator and stock inventory systems show measurable savings

Two automated systems developed for Goddard Center's Management Services and Supply Division show measurable improvements and savings:

1. The personnel locator system has been expanded to handle additional administrative tasks, such as initiation and control of security records, medical health programs, and the like.

2. The stock inventory system reduced clerical workload and expedited supply operations sufficiently to allow an 18-percent reduction in overtime during the past quarter.

As a result of manpower savings made possible through these two improvements, the Management Services and Supply Division was able to reassign four persons to other tasks. Further, it was estimated that the Center's increased overall activity would have required an additional six persons to handle a corresponding increase in the Management Services and Supply Division's workload. Therefore, manpower savings accruing from these improved systems actually amount to a total of 10 people.

Magnetic hammer knocks creases out of metal domes

A new tool developed at Marshall Space Flight Center saves the Government \$30,000 every time it is used, and reduces manpower requirements correspondingly. It has been used eight times during the past 6 months.

Known as a magnetic hammer, intense magnetic fields are used as the driving force, it is used in the manufacture of fuel tank domes for the giant Saturn V launch vehicle. The magnetic hammer removes distortions from metals quickly and easily without marring the surface.

The versatility and potential applications of the magnetic hammer are so varied that future improvements made possible by its use are virtually inestimable.

Reduced man-hour requirements through improved method of heat shield fabrication

At Langley Research Center, heat shields are used to protect explosive bolts which connect the payload to the booster in certain rockets. These shields were originally fabricated by following a precise pattern in applying a Fiberglas resin, and molding under pressure.

Langley engineers have devised a new and improved method of fabricating these shields, using cork-lined sheet metal. The new technique eliminates the need for preparing a pattern—the most time-consuming step in the operation. The time required to complete a single unit has been reduced from 100 to 12 hours. About 16 of these bolts (and shields) are used for each vehicle, so the total man-hour requirements for this operation have been reduced from 1,600 to 192.

Validation of spacecraft test data automated

In certain spacecraft checkout operations at Goddard Center, all data were displayed on analog recorders, and reviewed and verified manually. Because of the limited number of channels on the analog recorders, two or three replays were necessary before all the information could be displayed. Technicians validated the data by manually referencing accepted values in calibration tables. The process took

three or four men between 4 and 8 hours every time a major spacecraft was tested.

Validation of this data has recently been automated. Calibration tables have been programed and stored in a computer, which automatically obtains the value of the data, compares it with calibration tables, and displays and prints out the information, indicating unacceptable values. The entire operation now requires from 5 to 15 minutes of computer time.

Automatic test system developed

A total of 32 integrated systems tests are required for spacecraft and observatories used in Goddard Center's Orbiting Geophysical Observatories (OGO) projects. Systems integration tests are conducted after the spacecraft is assembled, after experiments are integrated into the observatory, and after each environmental test of the observatory. The contractor who develops and tests the spacecraft and observatories estimated that it would take 20 engineers 4 weeks to test an observatory and 8 days to test a spacecraft, using semiautomatic equipment. These tests had to be in sequence, because of limitations on computer and hardware equipment.

The Center's OGO Experiments Qualification Group designed and developed an automatic checkout system that could test all these experiments simultaneously.

The contract for development of spacecraft and observatories was changed to incorporate the use of the automatic equipment in future testing. In addition to very substantial dollar savings, it is estimated that this improved technique will save 28 months of effort (both contractor and NASA) in OGO testing.

SMALL BUSINESS ADMINISTRATION

Talents of retired businessmen utilized without increase in staff

A major program to provide experienced management counseling to small businessmen at no increase in SBA's staffing has been devised and was introduced during the preceding quarter. The program known as SCORE (senior corps of retired executives) which is designed to utilize the talents of prominent retired businessmen got underway during the summer of 1966 after articles were placed in various news media inviting business executives at or near retirement to communicate with SBA. Response by prominent retired executives to SBA invitations to participate in such a program has exceeded all expectations. There are now 2,000 volunteer businessmen and professionals registered with the agency. Over 300 counseling cases have been referred to some 400 active SCORE volunteers. Utilizing these volunteers to provide personal, in-depth counseling to small business owners saves MA manpower in meeting the greatly increased demand for such counsel. The volunteers are also being used to staff administrative management courses, conferences, problem clinics, and workshops for prospective businessmen.

Improved procedure for issuing and mailing savings bonds

The simplified method for Treasury issuance and mailing of savings bonds directly to the SBA employee registered owner was implemented during July 1964. Automation of this process has increased

accuracy and permitted issuance of bonds concurrent with the bi-weekly paycheck, thereby eliminating a 2-week delay in bond issuance. Moreover, approximately 180 man-days per year of Washington and field office cashiers' time will be saved as a result of the direct mailing of the bonds.

Decentralization of all operational work presently performed in Washington

In January plans for a new field organization for SBA will be promulgated. The new organization calls for the decentralization of all operational work presently being done in Washington, thereby providing faster, better, and more economical service to the Nation's small businessmen. Basically, the plan provides for 48 branch offices in 41 States, Puerto Rico, and the District of Columbia to be elevated to regional status and given authority to make decisions previously made at a higher level. The existing 13 regional offices and the 48 new regional offices will all be operation offices authorized to deal directly with small businessmen, to assist in their financial, managerial, and procurement problems on the spot, and to make decisions in their offices. In addition, a greater responsibility for decision-making will be shifted from Washington to eight new area offices.

The results of the decentralization will be: (1) Tailor programs to individual communities and States by making the regional offices more responsive to the specific needs of local small businessmen and by giving the regional offices the authority to respond to those needs. (2) Speed up the process of decision making, with particular emphasis on faster processing of applications for loans. (3) Provide more efficient operations because the regional director will be freed of supervisory responsibilities for a broader area and can concentrate his time and energies in serving the specific vicinity covered by his office. (4) Reduce paperwork and the need for supervisory personnel which will be prime factors in reducing costs.

Elimination of duplicate loan case files

As part of the agency's continuing effort to reduce paperwork and cut operating expenses, while at the same time increasing efficiency, a decision was made during this period to eliminate the duplicate loan case files which were maintained in the Washington office. In this office, six positions have been eliminated in central files for an estimated savings of \$13,500 for this fiscal year. These positions have been eliminated, and personnel have been reassigned to other existing vacancies where workload required the filling of such vacancies. In the field offices, time saved in handling files will be utilized on other tasks.

Elimination of supervisory functions through reorganization

The Cleveland regional office was abolished as such and its supervisory functions transferred to the Richmond region (Ohio activities) and to the Atlanta region (Kentucky activities). The Cleveland office was retained as a branch office and this, with the Columbus office, provides SBA services in Ohio. This realignment of function resulted in the elimination of one GS-16, three GS-14 supervisory positions, and several clerical positions at Cleveland. The annual savings is estimated at about \$100,000.

TENNESSEE VALLEY AUTHORITY

Savings in overtime by addition of a relief operator

Annual savings of about \$12,000 in scheduled and unscheduled overtime formerly required in operation of three adjacent hydro plants will be effected by addition of a straight-time relief operator available for work in any of the three plants.

Training encouragement in the form of tuition reimbursement

Practical encouragement in the form of tuition reimbursement upon successful completion of evening school university courses which will improve job performance have resulted in enrollment of one-half of the engineering aids engaged in flood control studies and one-third of the graduate engineers engaged in this work.

Efficiency through comprehensive computer program catalog

Inefficient use of programming manpower which would result from development of computer programs similar to existing ones is avoided by maintenance of a comprehensive catalog of available programs, including a description of the purpose, method, and output of each.

Use of outboard-driven flatbottom boats produce savings

In tributary stream channel dredging operations, savings of over \$1,000 per month are being realized by use of outboard-driven flat-bottom boats for transporting fuel to draglines and bulldozers in remote reaches, in lieu of alternative methods of transport by hand, tractor-drawn sled, or by power wagons which require winching over swampy ground areas.

Procedure for making enlargements from microfilm reduces costs

Development of a procedure for making enlargements from microfilm on a shop-modified photostat machine provides transparent prints which can be run through a blueprint machine to obtain full-scale drawings at a cost of 50 cents as compared with a \$3 cost for usual film negative. Savings to date are in the neighborhood of \$2,500.

Application of position management reduces positions

Continuous application of all phases of position management in power program activities resulted in elimination during the quarter of a cumulative total of 25 positions involving annual salaries or wages totaling \$128,880. Included were those of two substation operators, one electrician, nine substation yard laborers, one engineering aid, five materials testers, one stores record clerk, two car dumper operators, one auxiliary operator, one payroll clerk, one assistant shift engineer, and one unit operator.

Development of precipitator seal that requires no oil

In chemical operations, a significant innovation was development of a precipitator seal which requires no oil. Each such seal eliminates annual use of some 10,000 gallons of oil valued at \$2,500, and in addition prevents loss of operating time and possible accidents resulting from oil fires which might otherwise occur.

U.S. INFORMATION AGENCY

Reduction in European programs

The Agency continued its review and redirection of USIA programs in West Europe with a view to reducing costs and making maximum use of its manpower resources. For example, USIS Italy transferred three of its libraries at Florence, Turin, and Naples to local universities or municipal authorities. The agreements with these authorities provide for the continuing services of issuing American books and periodicals to the public and keeping them current by new additions from USIS. Annual savings on local salaries, overhead and operating costs approximate \$97,000.

Shipborne transmitting station replaced by land-based facility

The Agency has returned to the Maritime Commission the U.S. Coast Guard cutter *Courier* which served for 12 years as the Voice of America shipborne transmitting station broadcasting to the Middle East from Rhodes, Greece. The ship has been replaced by the VOA land-based facility located at Afandou, Rhodes. As a result of the change, Agency operating costs for Rhodes (exclusive of VOA American salaries), will be reduced from \$700,000 annually to \$350,000. The transmitters and powerplants which were dismantled and removed from the *Courier* will be available for use elsewhere in the VOA system.

USIA officers to be appointed as Foreign Service officers

A major improvement is underway in the personnel structure of the Agency. Since 1953, the Agency has functioned without a statutory career officer corps. Under a recent agreement between the Secretary of State and the Director of USIA a large percentage of USIA officers who currently hold Foreign Service career reserve officer appointments will be appointed as Foreign Service officers.

Implementation of the agreement will give the Secretary of State and the Director of USIA greater flexibility and more effective utilization of the manpower resources of both agencies. Higher level manpower requirements will be met from senior officers of both agencies. There will also be greater interchange of personnel at all levels, thus insuring that officers acquire the wide range of experience and contacts so vitally necessary to the effective conduct of foreign policy.

Survey results in the elimination of publications

The final report of the Publications Survey Committee in December 1964 resulted in the elimination of 25 Agency publications and the curtailment of 2 others for a total annual savings of approximately \$550,000 and the reallocation of 21.6 man-years. In addition, the committee established operating procedures to improve the continuing review of existing publications, the analysis and justification of proposed new publications, and the methods of circulation and distribution control.

VETERANS' ADMINISTRATION

Delinquent mortgage loan accounts mechanized

A system was developed using existing tabulating machine equipment for accruals of installments and processing collections on delinquent mortgage loan accounts. Evaluation revealed the system was advantageous at field stations which have a high ratio of delinquent mortgage loan accounts. The system replaces manual operations and provides for (1) mechanical calculation and posting of accruals to delinquent cards; (2) mechanical calculation and posting of collections to delinquent and transaction cards; (3) mechanical preparation of delinquent listings; (4) elimination of manual keypunching and verification of delinquent cards. More timely advice on delinquent accounts is also provided to improve loan servicing. Savings for fiscal year 1965 were 7 man-years, representing \$35,000. These savings will help absorb an increasing workload and decrease the need for additional employees.

Pharmacy inventory automated

Procedures were developed to record, compute, and print out pharmacy inventories using facilities at Data Processing Center, Los Angeles. Although the initial screening of a master list of punch cards and preparation of a new master index for each station was a time-consuming task, it is estimated that an average of 50 man-hours per station will be saved on subsequent years' inventories. Manpower savings of \$33,000 are expected for fiscal year 1966.

Consolidation of food processing and preparation for service at satellite units

In June 1964 a feasibility study was completed at two hospitals, the Veterans' Administration Hospital, Indianapolis, and the Veterans' Administration Hospital, Cincinnati. Food processing and preparation functions were consolidated at the main division and activities at the satellite units. Results of this study indicated that (1) food can be transported, up to 1 hour, without adverse effects on quality or acceptability; (2) consolidation resulted in significant savings.

Consolidation of dietetic activities is being phased at five VA stations, having outlying divisions, for accomplishment during fiscal years 1965 and 1966: Augusta, Ga., Pittsburgh, Pa. (general medical and surgical), Brecksville, Ohio, Biloxi, Miss., and Little Rock, Ark. Savings of 7 man-years, representing \$31,600 resulted from the consolidation.

Centralized procurement and distribution of certain medical supplies

A pilot program covering the Columbus medical area approved by the Deputy Chief Medical Director on October 9, 1963, was begun at the prosthetic distribution center on July 1, 1964. Briefly, this program provides for centralized procurement and distribution of selected medical supplies required by many veterans on a constantly recurring basis. Cost savings of \$110,000 were reflected in the fiscal year 1965 budget.

Merger of data processing branches

This report comprises a further evaluation of the total project to merge data processing branches at VA regional offices and hospitals. The primary purpose of this undertaking by the Department of Data Management is to provide more economical ADP support and service to VA field stations. Seven branches were merged with seven other branches during the second quarter of fiscal year 1965.

The consolidation of these data processing branches resulted in substantial savings in both manpower and machine equipment. For fiscal year 1965 a savings of 18 man-years, representing \$102,585, was effected; in addition there was a savings of \$41,448 in rental cost of 51 electric accounting machines released. These savings were reflected in the budget submission for fiscal year 1965.

Cost reduction through elimination of timeclocks.

The Federal Communications Commission (FCC) approved private line rate revisions, effective October 1, 1964. As part of the revisions, circuits are now being leased on a full-time basis only at no additional cost, thereby eliminating the need for timeclocks to automatically turn on stations' teletypewriter equipment at the beginning of circuit contract hours and turn off the equipment at end of contract hours daily. An order was placed to disconnect 228 timeclocks throughout the teletype system, effective November 10, 1964. Savings for fiscal year 1965 of \$7,182 will be used to finance increased pay costs and implementation of other new legislation including the limited reopening of NSLI and a revised pension program.

EMPLOYMENT DATA

Civilian employment in the Federal Government decreased by more than 7,400 employees during the past year, comparing December 1963 employment with December 1964. Likewise employment decreased by more than 27,400 employees between June 1963 and June 1964 and by more than 30,300 employees between September 1963 and September 1964.

Civilian employment statistics

Month	1963	1964	Decrease
June.....	2, 527, 967	2, 500, 492	27, 475
September.....	2, 510, 337	2, 479, 941	30, 396
December.....	2, 650, 038	2, 642, 542	7, 496

Significant employment changes during the past year, comparing December 1963 employment with December 1964 ¹

Department or agency	Increase		Decrease	
	Number	Percent	Number	Percent
Departments:				
Agriculture.....			4,403	4.3
Commerce.....	25,285	² 81.9		
Defense.....			23,979	2.3
Office of the Secretary.....			10	.5
Army.....			9,945	2.7
Navy.....			11,416	3.4
Air Force.....			8,032	2.7
Other defense activities.....	5,424	16.8		
Interior.....			5,681	8.4
Agencies:				
Agency for International Development.....			1,419	8.4
Civil Service Commission.....			222	5.6
General Services Administration.....	1,681	5.1		
National Aeronautics and Space Administration.....	3,039	10.1		
Office of Emergency Planning.....			54	13.3
Peace Corps.....	89	8.5		
Selective Service System.....	216	3.1		
Small Business Administration.....	149	4.4		

¹ Any changes, except for Department of Defense, of less than 3 percent are not shown.
² Increase due to requirements of the Census Bureau in conducting the census of agriculture. Employment is expected to be back to normal by Mar. 31, 1965.

POSITIONS ABOLISHED

Positions abolished during the quarter ended Dec. 31, 1964, by the various departments and agencies, in accordance with the provisions of sec. 125(b) of the Government Employees Salary Reform Act of 1964

	Number of positions abolished
I. Department:	
Agriculture.....	226
Commerce.....	142
Defense.....	2,175
Health, Education, and Welfare.....	(¹)
Interior.....	55
Justice.....	None
Labor.....	13
State.....	54
Treasury.....	116
II. Agencies:	
Agency for International Development (December 1964).....	3
Atomic Energy Commission.....	4
Canal Zone Government.....	8
Civil Service Commission.....	4
Federal Aviation Agency.....	155
General Services Administration.....	40
Housing and Home Finance Agency.....	113
National Aeronautics and Space Administration.....	118
Peace Corps.....	None
Selective Service System.....	8
Small Business Administration.....	10
U.S. Information Agency.....	2
Veterans' Administration.....	367
Total.....	3,613

Not available.

SOURCE OF ADDITIONAL INFORMATION CONCERNING THE MANPOWER
MANAGEMENT IMPROVEMENTS REPORTED HEREIN

Additional information regarding these manpower management improvements may be obtained by contacting the following department or agency representative:

I. DEPARTMENTS

Agriculture: Mr. Robert L. Hill, code 111, extension 3421.
Commerce: Mr. William F. Rapp, code 112, extension 5121.
Defense: Mr. D. E. Hunt, code 11, extension 76761.
 Army: Maj. Walter G. Kennedy, code 11, extension 75671.
 Navy: Mr. Paul Brown, code 11, extension 53922.
 Air Force: Lt. Col. Jeanne Holm, code 11, extension 75554.
Health, Education, and Welfare: Mr. James W. Greenwood, Jr.,
code 13, extension 34563.
Interior: Mr. Arthur B. Jebens, code 183, extension 4184.
Justice: Mr. S. A. Andretta, code 187, extension 3101.
Labor: Mr. Tom Kouzes, code 110, extension 2721.
State: Mr. Victor Purse, code 182, extension 5392.
Treasury: Mr. J. Elton Greenlee, code 184, extension 2464.

II. AGENCIES

Agency for International Development: Mr. Lloyd F. Miller, code
182, extension 8265.
Atomic Energy Commission: Mr. James Hardgrove, code 119,
extension 3621.
Canal Zone Government: Mr. W. M. Whitman, DI 7-6984.
Civil Service Commission: Mr. Leonard W. Johnson, code 183,
extension 6181.
Federal Aviation Agency: Mr. John Moundalexis, code 13, exten-
sion 25732.
General Services Administration: Mr. J. E. Luton, code 183, exten-
sion 4758.
Housing and Home Finance Agency: Mr. F. R. Jones, code 128,
extension 5031.
National Aeronautics and Space Administration: Mr. Richard
Buddeke, code 13, extension 22726.
Small Business Administration: Mr. Keith L. Hanna, code 128,
extension 5293.
Tennessee Valley Authority: Miss Margaret Owen, NA 8-7031.
U.S. Information Agency: Mrs. I. M. Monderson, code 182, exten-
sion 5759.
Veterans' Administration: Mr. Blake E. Turner, code 148, extension
2608.

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